

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1118-01  
Bill No.: HB 386  
Subject: Retirement–Schools; Retirement Systems & Benefits–General; Teachers  
Type: Original  
Date: January 25, 2001

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**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Officials with the **Office of Administration** assume that there will be no fiscal impact from the proposal, but note the Public School Retirement System should determine any possible cost through an actuarial report.

Officials with the **Joint Committee on Public Employee Retirement** indicate that the proposal is not a "substantial proposed change" in the future benefit plan, and, accordingly, no actuarial cost statement is required.

The **Public School & Non-Teacher School Employee Retirement Systems (PSRS)** note that the language set forth by this proposal will not allow any benefit payments beyond those contained in the current statute. PSRS assumes no fiscal impact due to the proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

### DESCRIPTION

This bill authorizes the Public School Retirement System Board of Trustees to establish a benefit plan with benefits in excess of the federal maximum benefit amount established in 26 U.S.C. 415. The "secondary" plans may only be used to provide benefits in excess of the federal maximum benefit amounts.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration  
Joint Committee on Public Employee Retirement  
Public School & Non-Teacher School Employee Retirement Systems

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "Jarrett".

Jeanne Jarrett, CPA  
Director  
January 25, 2001